



BULLETIN July 2014

Inside this edition:

- [Introduction](#)
- [AFTINET's new website!](#)
- [Secret TiSA negotiating text leaked](#)
- [TPP talks in Ottawa and Brunei's sharia law](#)
- [KAFTA enables Korean miners to sue states over environmental regulation](#)
- [Submissions still open for the KAFTA Senate Inquiry](#)
- [AFTINET lobbies Canberra politicians on KAFTA](#)
- [ALP policy should ensure trade deals do not undermine regulation in the public interest](#)
- [Water not Gold documentary](#)
- [Upcoming Events](#)

Introduction

In recent months, Wikileaks exposed part of the controversial [Trade in Services Agreement \(TISA\)](#), the [Japan-Australia Economic Partnership Agreement](#) was signed, inquiries into the [trade agreement with Korea](#) continue, and an intersessional round of [PACER-plus negotiations](#) with Pacific Island nations was held in Adelaide. This Bulletin provides an update on these developments, introduces our website revamp, and presents a great line up of upcoming events in Sydney and Melbourne.

AFTINET's new website!

It was a long and arduous process, but AFTINET's brand new website is now online! We hope the new design will make it easier for you to access information and to take action for fair trade. Check it out at www.aftinet.org.au.

We'd like to extend a big thank you to Cat Kutay for her technical support during this process.

Secret TiSA negotiating text leaked

A highly secretive negotiating text for the [Trade in Services Agreement \(TiSA\)](#) has been leaked, exposing details about the financial services agenda of the negotiations.

The *Sydney Morning Herald* published an article titled '[Secret trade negotiations: is this the end of the big four?](#)', which quoted AFTINET's Convener Dr Patricia Ranald and reported that the leaks show TiSA could result in radical deregulation of Australia's banking and finance sector.

AFTINET Convener Dr Patricia Ranald published an Op-ed on *The Drum* shortly after the documents were leaked, titled '[Backroom Deals Could Cripple Bank Regulation](#)'.

TPP talks in Ottawa and Brunei's sharia law

TPP negotiators met again in secrecy at the start of July for negotiations in Ottawa, Canada – but again there was no significant outcome from the talks. Leaders continue to say that November is the new target for an announcement.

Meanwhile, the TPP continues to be subjected to heavy criticism. The Ottawa Citizen published an article titled [The TPP could be a blow to Public Health](#), by Stephen Cornish from *Doctors Without Borders (MSF)*. In this piece, Cornish asserts that the TPP could be the “worst agreement ever for public health”. For more information about how stronger patent rights on medicines (like those being proposed in the TPP) delay cheaper generic medicines and result in higher prices, see this recent article in *The Economist* titled: [Drug companies are adept at extending the lifespan of patents, at consumers' expense](#).

As trade officials began the round in Ottawa the United Nations and human rights groups asked why Australia and other countries continue to negotiate with Brunei, which has just introduced harsh Sharia laws which violate human rights. The first phase of laws implemented impose fines and jail sentences for offenses like pregnancy outside of marriage, and future phases will impose the death penalty, including stoning, for adultery. A *Sydney Morning Herald* article reported that Australia [was to question Brunei](#) over these laws before the trade talks. This adds yet another obstacle to the completion of the TPP talks.

Japan-Australia EPA signed

The [Japan-Australia Economic Partnership Agreement](#) was announced in April and signed in July when Japanese Prime Minister Abe visited Australia.

AFTINET is relieved that this agreement does not include insidious investor rights to sue governments (ISDS). However, we remain critical of the lack of transparency around the agreement, the text of which was not released until after it was signed and after a summary statement was released by the government, resulting in a splash of positive media activity despite the actual text still being kept secret. We have also identified a concerning clause in the agreement which would allow a revision of the agreement to include ISDS in the future.

KAFTA enables Korean miners to sue states over environmental regulation

The Korea-Australia Free Trade Agreement (KAFTA) is being examined by the joint standing committee on treaties and by a separate Senate inquiry before the implementing legislation goes to Parliament.

KAFTA contains rights for foreign investors to sue governments (or ISDS). This would enable Korean mining investors in Australia to sue state governments if new environmental regulation or other decisions affecting their investment were made after KAFTA comes into force.

Korean companies own three of the most controversial mining projects in NSW. For more information, read AFTINET Convener Dr Patricia Randal's [article](#) in the *Canberra Times*.

Submissions still open for the KAFTA Senate Inquiry

As discussed above, the Korea Free Trade Agreement, signed in April, includes investor rights to sue governments (or ISDS). Submissions to the Joint Standing Committee on Treaties (JSCOT) Inquiry into the Korea FTA have now closed, but you **can still send a submission to the Senate Inquiry**.

The government does not have a majority on the Senate Inquiry. If there are many submissions to the Senate Inquiry, then there will be more ammunition for a full critical debate about the Korea FTA when the implementing legislation goes before the Senate.

To assist with your critical submission regarding ISDS in the Korea FTA, AFTINET has provided some draft points [here](#).

If you made a submission to the recent Senate Inquiry on ISDS using the points provided by AFTINET, you can use the same material for your Korea FTA submission, with slight changes at the beginning to make it clear that the submission is about ISDS in the Korea FTA.

Senate Inquiry submissions should be emailed to fadt.sen@aph.gov.au as an attached PDF or Word document, or uploaded [here](#).

AFTINET has made [a longer submission](#) to the inquiry which covers ISDS and other points.

Submissions to the Senate Inquiry close on August 29.

AFTINET lobbies Canberra politicians on KAFTA

This week Pat Randal, Jemma Williams, Danny Faddoul and Tom Skladzien visited Canberra for two days to talk to politicians from all parties, and the independents, about KAFTA and the TPP.

Armed with a briefing paper and copies of our submission to the Parliamentary enquiries on KAFTA, we found most of those we met were interested in our critical perspective, particularly on investor rights to sue governments.

Our meetings were mostly with Senators and members of the Joint Standing Committee on Treaties, who will be reviewing KAFTA and making recommendations before the parliament votes on the implementing legislation.

The next two months will be a critical time to influence members of those committees and other members of parliament, especially Senators, who will have to vote on the KAFTA implementing legislation. The government does not have guaranteed majority in the Senate, so this will be the most important point of influence.

We are preparing messages for you to send through our website and information for you to meet with your local Senators before they vote on the implementing legislation.

ALP policy should ensure trade deals do not undermine regulation in the public interest

Dr Patricia Randal, AFTINET Convener

As an advocate for fair trade based on human rights, labour rights and environmental sustainability, I read Senator [Penny Wong's policy speech](#) on Australia in the global economy with great interest.

The positives include her pledge to scrutinise the Abbott government's trade policies to ensure they deliver the best deal for Australia. There is recognition that trade policy must be accompanied by active government investments in people, in skills and capacities, in education, innovation research and infrastructure. These essential investments are supported by most Australians, as shown by the fierce public and parliamentary opposition to the current Coalition Government proposals to cut them.

Senator Wong also criticises preferential bilateral trade agreements, like the Korea-Australia free trade agreement. As the [Productivity Commission](#) found in 2010, these have not delivered the claimed economic benefits, which were based on economic modelling which overestimates the gains and underestimates the costs. The Productivity Commission noted that proposals in these agreements like stronger patents and higher prices for medicines and rights of investors to sue governments have both economic and social costs which are not measured in economic modelling. Senator Wong herself notes that the claimed economic gains from the Korea-Australia free trade agreement are barely measurable.

The striking thing about the speech is that it subscribes to a lofty and generalised theory of the benefits of free trade, which ignores the realities of power relationships in the global economy, and in regional trade agreements like the Trans-Pacific Partnership agreement (TPP). Senator Wong argues that Australia should support the TPP's goal of reducing barriers to trade and investment. But as Nobel prize-winning economist [Joseph Stiglitz](#) has noted, despite these stated goals, the TPP is not mainly about reducing tariffs or other barriers, and but about changing domestic regulation in ways which suit the export industries of the most powerful players.

The TPP involves the US, Japan, Australia and nine other Pacific Rim countries. But the agenda is dominated by US proposals made on behalf its largest export industries. Pharmaceutical companies want longer and stronger patents on medicines, leading to [higher medicine prices](#). Media content owners want [extension of copyright payments and restrictions on Internet downloads](#), with criminal penalties. This would cost schools, libraries and consumers more, and make the Internet more difficult to use. Agribusiness companies want to [restrict government regulation of food labelling](#) for health and nutritional reasons. And all these industries want special rights for foreign investors to be able to sue governments for damages in an international tribunal if they can claim that a law or policy harms their investment, known as ISDS. The Philip Morris tobacco company is currently using ISDS in an obscure Hong Kong Australia investment agreement to [sue the Australian government](#) for damages over plain packaging legislation, despite the fact that the Australian High Court found there was no right to damages under Australian law.

The TPP has generated community opposition to these proposals in most countries, including the US, on the grounds that they are using trade negotiations conducted behind closed doors to make changes to domestic policies which would disadvantage most people. [Surveys](#) show that most Australians believe these are public interest issues which should be debated through an open democratic parliamentary process, not secretly signed away in trade negotiations.

Negotiations have now dragged into their fifth year, and US and Japan, the two major players, are deadlocked over access to each other's agricultural and vehicle markets, leaving others like Australia waiting on the sidelines. [Opposition in the US Congress](#) means there will be no US decisions on the negotiations until after the US mid-term Congressional elections in November.

In practice, [ALP policy](#) has so far opposed extensions of patents on medicines, extensions of copyright, restrictions on the right of governments to regulate tobacco and food labelling, and has opposed ISDS.

Despite promises at the beginning of the process, TPP negotiations have not yet reached agreement about enforceable labour rights and environment standards, which are need to prevent unfair competition, and which are also supported by ALP policy.

It is disappointing that these policies were not featured in a major policy speech. ALP trade policy should continue to oppose any reduction in the right of governments to regulate in the public interest, should oppose ISDS and should support enforceable labour rights and environment standards. These policies should not be signed away in the TPP or other trade agreements.

Water not Gold documentary

Last year, activist Vidalina Morales from El Salvador spoke at AFTINET's AGM about the struggle of her community against gold mining in her densely populated country. After the government of El Salvador refused to grant a mining permit to Canadian gold mining company Pacific Rim, the company then used ISDS provisions to sue the government over its decision. Australia-based mining company OceanaGold has now [acquired](#) Pacific Rim and continues with the legal case. The 'Water Not Gold' campaign to ban metallic mining in El Salvador in order to preserve the limited fresh water supply in the country has recently released an excellent [15 minute documentary](#) explaining the struggle of the local community. [Watch it here](#).

For more information, see '[Debunking Eight Falsehoods by Pacific Rim Mining / OceanaGold in El Salvador](#)' and [The Fight to Ban Gold Mining and Save El Salvador's Water Supply](#).

Upcoming Events

Act up for Fair Trade not Free Trade!

19th July, 11am

First Fleet Park, Circular Quay



The G20 Trade Ministers are meeting in Sydney on the 19th-20th of July.

Join AFTINET and the NSWNMA for some street theatre as we speak up for Fair Trade not Free Trade!

Help let the Trade Ministers know that we oppose the corporate takeover of health, education and other essential public services.

Sydney Public Forum on health and the TPP

Thursday, 7 August, 4pm-6pm

UNSW CBD Campus, Level 6, 1 O'Connell St, Sydney

Join us and the Public Health Association for a public forum with public health experts from UNSW and elsewhere. The public forum will discuss the health and public policy impacts of the Trans-Pacific Partnership Agreement on the areas of medicines, food, alcohol and tobacco. The forum will be hosted by the Public Health Association of Australia and speakers include:

- Sharon Friel, ANU
- Caterina Giorgi, FARE
- Deborah Gleeson, Latrobe University
- Michael Moore, Public Health Association Australia
- Patricia Ranald, AFTINET
- Matthew Rimmer, ANU

Please RSVP by July 28 to Katie Hirono: k.hirono@unsw.edu.au

Melbourne Public Forum on the TPP

Wednesday, 30 August, 6.30pm

Brighton Town Hall, cnr Carpenter & Wilson Streets, Brighton

TPP Australia is hosting a public forum in Brighton about the Trans-Pacific Partnership. Speakers include Dr David Legge, health policy expert from La Trobe University, Tom Warne-Smith, law reform lawyer at EDO (Victoria) and Angela Daly, former board member of Electronic Frontiers Australia.